

July 21, 2003

HOMES FOR ISLANDERS AWARDED GRANT

Friday Harbor---USDA Rural Development will present the Homes For Islanders with a check in the amount of \$10,000 on Tuesday, July 22, 2003. The funds will bring the organization one step closer to implementing a self-help housing program in San Juan County.

The grant funds will be used to develop an application for a two-year program, allowing the Homes For Islanders to provide technical assistance. The two-year grant proposes to provide assistance to 16 households, who will build their homes through the Mutual Self-Help Housing Program. The program provides a unique homeownership opportunity for households earning less than 80% of median income, who would not typically qualify for a conventional mortgage. Eligible applicants receive financing through USDA Rural Development and cooperatively build their homes with assistance provided by the Homes For Islanders (HFI)

The owner-builder households – many of whom have no construction experience – will work together and share in the construction of each other's homes under the direction of an experienced construction supervisor employed by HFI. The houses will be modest in size and cost, yet of high quality and design. Participants obtain financing, and work at least 30 hours each week, providing at least 65% of the construction work on the project. Under the mutual construction concept, all homes are fully completed, before any family moves in.

USDA Rural Development provides Section 502 Direct loans to the owner-builders and 523 Technical Assistance Grants to organizations, such as HFI to oversee the program. "It's the American Dream to own your own home and it's great to play a part in helping these owner-builders achieve this dream," said State Director Jackie J. Gleason.

HACC has proposed a start date of April 2004 to begin operating the Mutual Self-Help Program and provide technical assistance to owner-builders. If approved for the 2-year grant, HFI will provide service to San Juan County, with their first 16 homes constructed in Friday Harbor.

With the diminished affordable housing availability, this may be the only way for these families to realize the dream of homeownership.

If you would like more information on the HFI Mutual Self-Help program, please contact John Campbell at (360) 376-2035, or send an email to jmc@rockisland.com. For additional information about USDA Rural Development loan and grant programs, visit the Washington State USDA Rural Development Home Page at www.rurdev.usda.gov/wa. ###